

Name of Respondent Consumers Energy Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2018
<p align="center">PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS</p>			
<p>Report the information specified below, in the order given, for the respective income deduction and interest charges accounts. Provide a subheading for each account and a total for the account. Additional columns may be added if deemed appropriate with respect to any account.</p> <p>(a) <i>Miscellaneous Amortization</i> (Account 425)--Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.</p> <p>(b) <i>Miscellaneous Income Deductions</i>-- Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related</p> <p>Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than 5% of each account total for the year (or \$1,000, whichever is greater) may be <u>grouped by classes within the above accounts.</u></p> <p>(c) <i>Interest on Debt to Associated Companies</i> (Account 430) -- For each associated company to which interest on debt was incurred during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.</p> <p>(d) <i>Other Interest Expense</i> (Account 431) -- Report particulars (details) including the amount and interest rate for other interest charges incurred during the year.</p>			
Line No.	Item (a)	Amount (b)	
1	ACCOUNT 425 - MISCELLANEOUS AMORTIZATION		
2			
3	Service Center Acquisition Adjustment - Contra 115 (Amort. June 2017 - May 2032)	126,080	
4			
5	ACCOUNT 426 - MISCELLANEOUS INCOME DEDUCTIONS		
6			
7	426.1 - Donations		
8			
9	Social Welfare	10,404,182	
10	Community, Civic & Cultural Development	1,379,721	
11	Homeless Shelters	278,485	
12	Education	263,517	
13	Environmental	45,260	
14	Health Care	16,000	
15	Other Donations	178,575	
16	Total - 426.1	12,565,740	
17			
18	426.3 - Penalties and Other Deductions		
19			
20	Utility Outage Credits	10,107	
21	Total - 426.3	10,107	
22			
23	426.4 - Expenditures of Civic & Political Activities		
24			
25	Governmental Affairs Activity	6,211,691	
26	Total 426.4	6,211,691	
27			
28	426.5 - Other Deductions		
29			
30	Compensation Expense-Restricted Stock	16,431,497	
31	Compensation Expense-EICP	12,053,477	
32	Compensation Expense-SERP	8,064,006	
33	Customer Value Initiative	4,078,178	
34	Brand Marketing	2,000,000	
35	Loss on Investment - Deferred Compensation Plans	1,181,319	
36	Land Divestment	1,014,741	
37	Green Glove Dryer	917,727	
38	Corporate Giving	770,119	
39	Corporate Billing Credits and Loadings	(259,676)	
40	Compensation Expense-DSSP	(283,798)	
41	Adjustment based on the provisions of ASU 2016-02	(781,435)	
42	Adjustment based on the provisions of ASU 2014-09	(15,933,959)	
43	Other Deductions (minor items under 5% of account balance)	210,896	
44	Total 426.5	29,463,092	

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PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS			
<p>Report the information specified below, in the order given, for the respective income deduction and interest charges accounts. Provide a subheading for each account and a total for the account. Additional columns may be added if deemed appropriate with respect to any account.</p> <p>(a) <i>Miscellaneous Amortization</i> (Account 425)-Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.</p> <p>(b) <i>Miscellaneous Income Deductions</i>— Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related</p>		<p>Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than 5% of each account total for the year (or \$1,000, whichever is greater) may be <u>grouped by classes within the above accounts</u>.</p> <p>(c) <i>Interest on Debt to Associated Companies</i> (Account 430) — For each associated company to which interest on debt was incurred during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.</p> <p>(d) <i>Other Interest Expense</i> (Account 431) — Report particulars (details) including the amount and interest rate for other interest charges incurred during the year.</p>	
Line No.	Item (a)	Amount (b)	
42	430 - Interest on Debt to Associated Companies		
43			
44	Consumers 2014 Securitization LLC - various rates	8,416,589	
45	Other Related Party Interest Expense - various rates	142,222	
46	CMS Energy Note Payable Interest Expense - various rates	125,557	
47	430 Total	8,684,368	
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50			
51			
52			
53	431 - Other Interest Expense		
54		<u>Interest Rate (%)</u>	
55			
56	PSCR Over/Under Recovery Interest	Various	4,747,217
57	Reserve for Refund Interest - Electric	Various	2,406,883
58	TCJA Reserves Interest	Various	1,411,449
59	Advanced Renewable Interest	Various	1,061,708
60	Letter of Credit Fee	Various	757,738
61	Short-term Debt Interest	Various	716,977
62	Security Deposit Interest	5.00%	610,003
63	FIN 48 - State Tax	Various	569,925
64	Green Generation	Various	438,978
65	Special Retirement Supplement Interest	3.64%	354,714
66	GCR Over/Under Recovery Interest	Various	261,926
67	Various Escrows	Various	107,621
68	Customer Billing	5.00%	58,520
69	GCC Supplier Deposit Interest	Various	29,960
70	Energy Optimization Interest	Various	(288,436)
71	431 Total	13,245,183	
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EXPENDITURES FOR CERTAIN CIVIC, POLITICAL AND RELATED ACTIVITIES (Account 426.4)		
<p>1. Report below all expenditures incurred by the respondent during the year for the purpose of influencing public opinion with respect to the election or appointment of public officials, referenda, legislation or ordinances (either with respect to the possible adoption of new referenda, legislation or ordinances or repeal or modification of existing referenda, legislation or ordinances); approval, modification, or revocation of franchises; or for the purpose of influencing the decisions of public officials which are accounted for as Other Income Deductions, Expenditures for Certain Civic, Political and Related Activities, Account 426.4.</p> <p>2. Advertising expenditures in this Account shall be classified according to subheadings, as follows: (a) radio, television, and motion picture advertising; (b) newspaper, magazine, and pamphlet advertising; (c) letters or inserts in customer's bills; (d) inserts in reports to stockholders; (e) newspaper and magazine editorial services; and (f) other advertising.</p> <p>3. Expenditures within the definition of paragraph (1), other than advertising shall be reported according to captions or descriptions clearly indicating the nature and purpose of the activity.</p> <p>4. If respondent has not incurred any expenditures contemplated by the instruction of Account 426.4, so state.</p> <p>5. Minor amount may be grouped by classes if the number of items so grouped is shown.</p> <p>NOTE: The classification of expenses as nonoperating and their inclusion in this amount is for accounting purposes. It does not preclude Commission consideration of proof to the contrary for ratemaking or other purposes.</p>		

Line No.	Item (a)	Amount (b)
1	Outside Services	
2	Professional Services	60,984
3	Advocacy	332,500
4	Consulting	344,163
5		
6	Subtotal	737,647
7		
8	Memberships	
9	Edison Electric Institute	152,409
10	American Gas Association	21,350
11	Other	11,833
12		
13	Subtotal	185,592
14		
15	Governmental Affairs Activity	5,288,452
16		
17	Total Account 426.4	6,211,691
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DISTRIBUTION OF SALARIES AND WAGES (Continued)				
Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and		columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.		
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
	GAS (Continued)			
39	Maintenance			
40	Production-Manufactured Gas			
41	Production-Natural Gas			
42	Other Gas Supply			
43	Storage, LNG Terminaling and Processing	5,380,824		
44	Transmission	4,008,424		
45	Distribution	14,643,344		
46	Administrative and General	1,814,954		
47	TOTAL Maint. (Enter Total of lines 40 thru 46)	25,847,546		
48	Total Operation and Maintenance			
49	Production-Manufactured Gas (Total of lines 28 and 40)	0		
50	Production-Nat. Gas (Including Expl. & Dev.) (Total of lines 29 and 41)	0		
51	Other Gas Supply (Enter Total of lines 30 and 42)	0		
52	Storage, LNG Terminaling and Processing (Total of lines 31 and 43)	12,087,397		
53	Transmission (Lines 32 and 44)	13,868,241		
54	Distribution (Lines 33 and 45)	101,248,762		
55	Customer Accounts (Line 34)	28,370,009		
56	Customer Service and Informational (Line 35)	2,914,448		
57	Sales (Line 36)	517		
58	Administrative and General (Lines 37 and 46)	28,902,766		
59	TOTAL Operation & Maint. (total of lines 49 thru 58)	187,392,140	(32,830,038)	154,562,102
60	OTHER UTILITY DEPARTMENTS			
61	Operation and Maintenance			
62	TOTAL All Utility Dept. (Total of lines 25, 59 & 61)	500,306,372	(94,799,188)	405,507,184
63	UTILITY PLANT			
64	Construction (By Utility Departments)			
65	Electric Plant	143,904,495	66,955,123	210,859,618
66	Gas Plant	166,475,937	36,135,816	202,611,753
67	Other	1,519,243	10,640,054	12,159,297
68	TOTAL Construction (Total of lines 65 thru 67)	311,899,675	113,730,993	425,630,668
69	Plant Removal (By Utility Departments)			
70	Electric Plant	22,131,775	12,030,497	34,162,272
71	Gas Plant	6,318,337	2,874,378	9,192,715
72	Other	22,273	51,412	73,685
73	TOTAL Plant Removal (Total of lines 70 thru 72)	28,472,385	14,956,287	43,428,672
74	Other Accounts (Specify):			
75	Labor Billed to Others (143)	1,435,270	7,311,977	8,747,247
76	Labor Billed to Assoc Companies (146)	3,891,535	569,874	4,461,409
77	Stores expense (163)	13,977,970	(13,977,970)	0
78	Clearing Accounts (184)	22,573,119	(22,568,830)	4,289
79	Injuries & Damages (228)	1,607,656	0	1,607,656
80	Job Work (416)/ Non-Utility Operations (417.1)	2,295,595	277,178	2,572,773
81	Other Income Deductions/ Civic & Political (426)	30,836,604	620,709	31,457,313
82	Regulatory Assets (182)	5,971,335	(5,971,335)	0
83	Other Miscellaneous	44,153	(149,695)	(105,542)
84	TOTAL Other Accounts	82,633,237	(33,888,092)	48,745,145
85	TOTAL SALARIES AND WAGES	923,311,669	0	923,311,669